changes of fashion and the ebb and flow of demand. and even a relative diminution of reputation may not lead to a shrinking of the deposits and current account balances of any one bank, or even of each bank in turn. Accordingly, every bank has to maintain an uninvested, or, at least, a specially liquid, reserve to meet such a possible withdrawal. The smaller, the more numerous, the more specialised by locality or industry are the competing banks, the larger must be this reserve. On the other hand, if all the deposit and current accounts of the nation were kept at one bank, even if it has innumerable branches, as the experience of the Post Office Savings Bank shows, no such shifting of business would affect it: no mere transfers from firm to firm or from trade to trade would involve any shrinking of its aggregate balances; and it would need only to have in hand, somewhere, sufficient currency to replenish temporarily a local drain on its * till money/ The nearer the banks can approach to this condition of monopoly, not only the lower will be their percentage of working expenses, but also the greater will be the financial stability, and the smaller the amount that they will need to keep uninvested in order to meet possible withdrawals.

" *(b)* That the process of amalgamation has involved an ever-increasing elimination, from the British banking business, of the typical profit-maker, first as partner in a private bank, then as a director in a Joint Stock bank, representing a large personal holding of shares; and the gradual transfer of practically the whole conduct of the business to what may be called ' disinterested management'—that is to say, management by trained, professional officers serving for salaries, whose remuneration bears no relation to the profit made on

each piece
of business transacted. The part played in
the business
by the directors themselves seems to be,
with every
increase in the magnitude and scope of the
concern,
steadily diminishing; and these
directors, moreover,
come to be chosen, more and more, not
because of their"